

RECEIVED  
LEGISLATIVE AUDITOR  
2007 JAN -3 AM 11:29

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
Basic Financial Statements  
and Independent Auditors' Reports  
As of and for the Year Ended June 30, 2006  
With Supplemental Information**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/10/07

**THIS PAGE INTENTIONALLY LEFT BLANK**

## TABLE OF CONTENTS

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Basic Financial Statements:</b>	
Government-wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet – Governmental Fund	8
Reconciliation of the Governmental Fund Balance Sheet to the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	11
Statement of Fiduciary Assets and Liabilities – Agency Funds	12
Notes to Financial Statements	13
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedule - General Fund	27
<b>Other Supplementary Information:</b>	
Statement of Collections, Distributions, and Unsettled Deposits – Agency Funds	29
<b>Other Reports Required by <i>Government Auditing Standards</i>:</b>	
Independent Auditors' Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of the Basic Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	31
<b>Schedule of Findings</b>	33
<b>Schedule of Prior Year Audit Findings</b>	34

# WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS  
203 NORTH ABEL STREET  
P. O. BOX 1397  
WINNFIELD, LA 71483

---  
(318) 628-3985  
FAX (318) 628-3988

LAWRENCE I. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

## INDEPENDENT AUDITORS' REPORT

To the Honorable Donald E. Kelly,  
Winn Parish Clerk of Court, Winnfield, Louisiana

December 7, 2006

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the **Winn Parish Clerk of Court**, a component unit of the Winn Parish Police Jury, as of and for the year ended June 30, 2006, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of Winn Parish Clerk of Court management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards and the guide require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

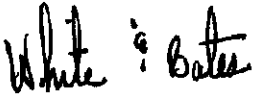
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the **Winn Parish Clerk of Court**, as of June 30, 2006 and the respective changes in financial position for the year ended June 30, 2006, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2006, on our consideration of the **Winn Parish Clerk of Court's** internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying required supplementary information, which consists of the Budgetary Comparison Schedule, page 27, is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The Winn Parish Clerk of Court has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the **Winn Parish Clerk of Court's** financial statements. The other accompanying supplementary information, as listed in the table of contents, is presented for purpose of additional analysis and is not a required part of the basic financial statements of the **Winn Parish Clerk of Court**. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "White & Bates".

**White & Bates**  
**Winnfield, Louisiana**  
**December 7, 2006**

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include integrated sets of financial statements as required by GASB. The sets of financial statements are as follows:

### **Government-wide Financial Statements (GWFS)**

#### **Fund Financial Statements (FFS):**

##### **Governmental Fund**

##### **Fiduciary Funds - Agency**

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

**WINN PARISH CLERK OF COURT  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET ASSETS  
JUNE 30, 2006**

**ASSETS**

**Current Assets**

Cash and Cash Equivalents	\$ 87,849
Accounts Receivable	14,526
Due from Advance Deposit Fund	1,946
Prepaid Expenses	<u>4,408</u>

Total Current Assets 108,729

Capital Assets (Net of Accumulated Depreciation) 19,940

**TOTAL ASSETS** **128,669**

**LIABILITIES**

**Current Liabilities**

Accounts Payable	7,185
Payroll and Related Liabilities	<u>8,958</u>

Total Current Liabilities 16,143

**TOTAL LIABILITIES** **16,143**

**NET ASSETS**

Invested in Capital Assets	19,940
Unrestricted	<u>92,586</u>

**TOTAL NET ASSETS** **\$ 112,526**

The accompanying notes are an integral part of the basic financial statements.



**WINN PARISH CLERK OF COURT  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2006**

Activities	Program Revenues			Net (Expense) Revenues & Changes in Net Assets
	Fines, Fees, & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	
Governmental Activities:				
Judicial	\$ 437,066	\$ 379,398	\$ 16,450	\$ 10,034
				\$ (31,184)
General Revenues:				
Interest Earnings				9,138
Total General Revenues				9,138
Change in Net Assets				(22,046)
Net Assets July 1, 2005				134,572
Net Assets June 30, 2006				\$ 112,526

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

**WINN PARISH CLERK OF COURT  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET  
GOVERNMENTAL FUND  
JUNE 30, 2006**

**ASSETS**

Cash and Cash Equivalents	\$ 87,849
Accounts Receivable	14,526
Due from Advance Deposit Fund	1,946
Prepaid Expenses	<u>4,408</u>

**TOTAL ASSETS** **\$108,729**

**LIABILITIES**

Accounts Payable	\$ 7,185
Payroll and Related Liabilities	<u>8,958</u>

**TOTAL LIABILITIES** **16,143**

**FUND BALANCE**

Reserved	-
Unreserved, Undesignated	<u>92,586</u>
<b>TOTAL FUND BALANCE</b>	<b><u>92,586</u></b>

**TOTAL LIABILITIES AND FUND BALANCE** **\$108,729**

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH CLERK OF COURT  
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2006**

Fund Balances for Governmental Fund at June 30, 2006 \$ 92,586

Net Assets reported for Governmental Activities in the  
Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not  
financial resources and therefore, are not reported in  
funds. Those assets consist of:

Equipment & Furniture	\$ 212,261	
Vehicles	<u>18,468</u>	
Total Capital Assets	230,729	
Less Accumulated Depreciation	<u>(210,789)</u>	
Total Net Capital Assets		19,940

Net Assets of Governmental Activities at June 30, 2006 \$ 112,526

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH CLERK OF COURT  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUND  
YEAR ENDED JUNE 30, 2006**

Revenues:

Licenses and Permits – Marriage	\$ 2,500
Fees, Charges and Commissions for Service:	
Court Costs, Fees and Charges	143,776
Fees for Recording Legal Documents	176,194
Fees for Photocopies of Documents	39,606
Intergovernmental Revenue – Grant	10,034
Supplemental Compensation Fund Receipts	16,450
Interest Earned	9,138
Other	17,322
Total Revenues	<u>415,020</u>

Expenditures:

Current – Judiciary	
Personal Services and Related Benefits	361,802
Operating Services	54,694
Materials and Supplies	2,488
Other Charges	11,831
Capital Outlay	12,604
Total Expenditures	<u>443,419</u>

Excess/(Deficit) of Revenues Over Expenditures	<u>(28,399)</u>
--	-----------------

Fund Balance at July 1, 2005	<u>120,985</u>
------------------------------	----------------

Fund Balance at June 30, 2006	<u>\$ 92,586</u>
-------------------------------	------------------

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH CLERK OF COURT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE OF THE GOVERNMENTAL FUND  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2006**

Net change in Fund Balance at June 30, 2006 per Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ (28,399)
--	-------------

The change in Net Assets reported for Governmental  
Activities in the Statement of Activities is different  
because:

Governmental Funds report Capital Outlays as expenditures.  
However, in the Statement of Activities, the costs of those  
assets, if over \$500, is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlay which is considered an expenditure in Statement of Revenues, Expenditures, and Changes in Fund Balance	\$ 12,604	
Depreciation Expense for the year ended June 30, 2006	<u>(6,251)</u>	6,353

Changes in Net Assets at June 30, 2006 per Statement of Activities	<u>\$ (22,046)</u>
---	--------------------

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH CLERK OF COURT  
FUND FINANCIAL STATEMENTS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES – AGENCY FUNDS  
JUNE 30, 2006**

	<u>ADVANCE DEPOSIT</u>	<u>REGISTRY OF COURT</u>	<u>TOTAL</u>
Assets:			
Cash and Cash Equivalents	\$ 312,426	\$ 708,345	\$ 1,020,771
Investments – LAMP	110,664		110,664
Total Assets	<u>\$ 423,090</u>	<u>\$ 708,345</u>	<u>\$ 1,131,435</u>
Liabilities:			
Due to General Fund	\$ 1,946		\$ 1,946
Unsettled Deposits	421,144	\$ 708,345	1,129,489
Total Liabilities	<u>\$ 423,090</u>	<u>\$ 708,345</u>	<u>\$ 1,131,435</u>

The accompanying notes are an integral part of the basic financial statements.

**WINN PARISH CLERK OF COURT  
WINNFELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1. A. INTRODUCTION**

**THE CLERK OF COURT** - The Winn Parish Clerk of Court serves as the ex-officio notary public and the recorder of conveyances, mortgages and other acts as provided by Article V, Section 28 of the LA Constitution of 1974 and has numerous other duties and powers as provided by law. The Clerk of Court is a parish-wide elected official and serves for a term of four years upon election.

**1. B. FINANCIAL REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the Winn Parish Police Jury is the financial reporting entity for Winn Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's general purpose financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Winn Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the police jury and accordingly is considered to be a component unit of the Winn Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.



**WINN PARISH CLERK OF COURT  
WINNFELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

**1. C. BASIS OF PRESENTATION**

The accompanying basic financial statements of the Winn Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, "Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments", issued in June 1999. As a result, an entirely new financial presentation format has been implemented.

Government-wide Financial Statements (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole. They include all funds of the Winn Parish Clerk of Court, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Clerk's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Clerk, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Winn Parish Clerk of Court are organized on the basis of funds, each of which is considered a separate accounting entity. The various funds are reported by generic fund type in the financial statements. Each fund operates with a group of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. Revenues are accounted for in the individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The following fund categories and fund types are used by the Clerk of Court.

Governmental Fund Type - Major

General Fund (Salary) - The General Fund is the principal fund of the Clerk and is used to account for the operations of the Clerk of Court's office. This fund is used to account for the various sources of revenue received by the Clerk's office. The Clerk of Court's primary source of revenue is the fees and charges due to the Clerk's office. General operating expenditures are paid from this fund.

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

Fiduciary Fund Type

Agency Funds - The Advance Deposit and Registry of Court Funds are used to account for assets held as an agent for others. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations and, accordingly, have no measurement focus.

**1. D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment to a government-wide view of Clerk of Court operations.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. As a general guideline, the Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred.

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported.

The government-wide financial statements are presented using the accrual basis of accounting. Under accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

**1. E. ASSETS, LIABILITIES, AND EQUITY**

Cash and Cash Equivalents

Cash and Cash Equivalents include amounts in demand deposits, interest-bearing demand deposits, and time deposits of the Clerk of Court. These deposits are stated at cost, which approximates market.

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

Investments

State statutes authorize the Winn Parish Clerk of Court to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at market value.

Receivables and Payables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Likewise payables consist of all expenditures due at year-end and not yet paid.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as licenses, permits and examination fees since they are usually both measurable and available. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. At the same time, payables in governmental funds include expenditure accruals for goods and services received by year-end, but not yet paid for.

During the course of operations, numerous transactions occur between individual funds to account for the disposition of collections. Any resulting receivables and payables are classified in due from other funds and due to other funds on the balance sheet.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Clerk of Court maintains a threshold level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Assets but are not reported in the fund financial statements. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Office, equipment, and furniture	5-15
Vehicles	5

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

Compensated Absences

Full-time employees of the Winn Parish Clerk of Court earn vacation and sick leave each year as follows:

<u>PERIOD OF CONTINUOUS SERVICE</u>	<u>VACATION DAYS</u>	<u>SICK DAYS</u>
6 Months to 1 Year	5	
Over 1 Year	10	
Per Fiscal Year		10

Vacation and sick leave days are not cumulative and must be used during the period earned. Accordingly the Winn Parish Clerk of Court has no accumulated and vested benefits related to vacation leave or sick leave, accordingly, the cost of leave privileges is recognized as a current expenditure in the General Fund when leave is actually taken.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets.”

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

**1. F. REVENUES, EXPENDITURES, AND EXPENSES**

Government-wide Financial Statements

Program revenues included in the Statement of Activities are derived directly from the program itself or from other parties. Program revenues reduce the cost of the function to be financed from the Clerk of Court's general revenues.

General revenues are all other revenues not directly related to a program or activity and include the following:

Interest Income.

Expenses are classified by the direct activities to which they are related, including depreciation. The activity of the Winn Parish Clerk of Court is Judiciary.

Fund Financial Statements

Revenues are reflected in the fund financial statements by type of the major revenue sources.

Expenditures are reflected in the fund financial statements by the nature of the expenditure.

Other Financing Sources - Proceeds from the sale of fixed assets are accounted for as other financing sources and is recognized when received.

**1. G. BUDGET AND BUDGETARY ACCOUNTING**

The proposed budget for the General Fund for the fiscal year ended June 30, 2006 was made available for public inspection in June 2005. The proposed budget was prepared on the modified accrual basis of accounting and was not required to be published. A public hearing on the proposed budget for the fiscal year ended June 30, 2006, was held at the Winn Parish Clerk of Court's Office on June 28, 2005, for comments from taxpayers. The Clerk legally adopted the budget, after the public hearing.

The budget was not amended during the year ended June 30, 2006.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management device. However, periodic comparisons of budget and actual amounts are made.

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

All budgeted appropriations lapse at the end of each fiscal year. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance.

Budgeted amounts included in the required supplementary information to these financial statements are as originally adopted.

**1. H. ESTIMATES**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Actual results could differ from those estimates.

**WINN PARISH CLERK OF COURT  
WINNFELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

**NOTE 2. CASH AND CASH EQUIVALENTS**

Under state law, the Clerk of Court may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

At June 30, 2006, the carrying amount of the Clerk's cash and cash equivalents totaled \$1,108,620 as follows:

	GWFS Statement of Net Assets	Fiduciary Funds Statement of Assets & Liabilities	Total
Demand Deposits		\$ 2,180	\$ 2,180
Interest-bearing Deposits	\$ 52,224	757,867	810,091
Time Deposits	35,625	260,724	296,349
Total Cash & Cash Equivalents	<u>\$ 87,849</u>	<u>\$ 1,020,771</u>	<u>\$ 1,108,620</u>

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution. At June 30, 2006, the bank balance of the Clerk's deposits with financial institutions was \$1,137,986. Of the bank balance, \$762,602 was covered by federal depository insurance and \$375,384 was covered by the pledge of securities owned by the depository bank. These securities, which have a total market value of \$969,292, are held in the name of the pledging bank in a custodial bank that is mutually acceptable to both parties.

The pledged securities are considered un-collateralized; however, Louisiana Revised Statutes impose a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the pledging bank has failed to pay deposited funds upon demand.

**NOTE 3. INVESTMENTS**

Investments held at June 30, 2006, include \$110,664 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB standards, the investment in LAMP at June 30, 2006, is not categorized in the three risk categories provided by GASB because the investment is in a pool of funds and therefore not evidenced by securities that exist in physical or book entry form.

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes government money market funds, securities and other obligations in which local governments in Louisiana are authorized to invest, including investment grade commercial paper of domestic U.S. corporations. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

The investment in LAMP is stated at fair value based on quoted market rates, which is the same as the value of the position held by the Winn Parish Clerk of Court Advance Deposit Fund.

**NOTE 4. ACCOUNTS RECEIVABLE**

Individual balances due the Winn Parish Clerk of Court at June 30, 2006 are for charges for services.

At June 30, 2006, no allowance for doubtful accounts was required, since all amounts were deemed collectible.

**NOTE 5. DUE FROM/TO OTHER FUNDS**

The interfund balances resulted from normal settlements between funds.



**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

**NOTE 6. CAPITAL ASSETS**

A summary of the changes in capital assets for the year ended June 30, 2006 is as follows:

	Balance 07/01/05	Additions	Deletions	Balance 06/30/06
Governmental Activities:				
Capital Assets:				
Equipment and Furniture	\$ 199,657	\$ 12,604		\$ 212,261
Vehicles	18,468			18,468
Totals	218,125	\$ 12,604	-	230,729
Less Accumulated Depreciation	204,538	\$ 6,251	-	210,789
Governmental Activities, Capital Assets, net	<u>\$ 13,587</u>			<u>\$ 19,940</u>

Depreciation expense in the amount of \$6,251 was all allocated to the Clerk's judiciary activities.

**NOTE 7. EMPLOYEE RETIREMENT SYSTEM**

Substantially all full-time employees of the Winn Parish Clerk of Court participate in the Louisiana Clerks of Court Retirement and Relief Fund ("System"). The Clerk's Pension and Relief Fund is a multiple employer (cost-sharing), statewide public employee retirement system (PERS) that is administrated and controlled by a separate board of trustees.

Plan Description – All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service not to exceed 100 percent of the final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

**WINN PARISH CLERK OF COURT  
WINNFELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B1, Baton Rouge, Louisiana 70816, or by calling (504) 293-1162. The Winn Parish Clerk of Court does not guarantee the benefits granted by the System.

Plan members are required by state statute to contribute 8.25% of their annual covered salary and the Winn Parish Clerk of Court is required to contribute at an actuarial determined rate. This current rate is 15.75% of annual covered payroll. Contributions to the System include one-fourth of one percent (one-half of one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Winn Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer's contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Winn Parish Clerk of Court's contributions to the system for the years ending June 30, 2006, 2005, and 2004, were \$36,679, \$33,333, and \$26,151, respectively, and were equal to the required contributions for each year.

**NOTE 8. POSTRETIREMENT BENEFITS**

The Winn Parish Clerk of Court provides certain continuing health care and life insurance benefits for retired employees. Substantially all of the Clerk's employees become eligible for those benefits if they reach normal retirement age while working for Clerk of Court. These benefits for retirees are provided through an insurance company whose monthly premiums are paid half by the employee and half by the Clerk of Court. For the year ended June 30, 2006, the Clerk paid \$9,963 as its portion of retirees insurance for up to six retired employee during the year.

**NOTE 9. CHANGES IN FIDUCIARY FUND TYPE - AGENCY FUND BALANCES**

The following is a summary of changes in agency fund unsettled balances for the year ended June 30, 2006:

Funds	Balance		Balance	
	July 1, 2005	Additions	Reductions	June 30, 2006
Advanced Deposit	\$ 435,685	\$ 261,507	\$ 274,102	\$ 423,090
Registry of Court	583,400	300,010	175,065	708,345
Totals	<u>\$ 1,019,085</u>	<u>\$ 561,517</u>	<u>\$ 449,167</u>	<u>\$ 1,131,435</u>

**WINN PARISH CLERK OF COURT  
WINNFELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

**NOTE 10. EXPENDITURES MADE AND SERVICES PROVIDED BY WINN PARISH POLICE JURY**

The Winn Parish Police Jury provided the Clerk of Court with office facilities and the related utility costs for such facilities and these costs are not determinable and are not included in the accompanying basic financial statements. The Winn Parish Police Jury did pay some \$35,466 for the benefit of the Clerk for operating services (computer maintenance) and materials and supplies (binding and microfilm).

**NOTE 11. DEFERRED COMPENSATION PLAN**

All of the employees of the Winn Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 25% of their salary (not to exceed \$8,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck and the Clerk matches up to \$300 per month for each employee. The contributions are fully vested immediately and are remitted to a third-party administrator each payday, where they are deposited to an account in the employee's name. The Winn Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. During the year ended June 30, 2006 the Clerk's matching funds totaled \$1,860.

**NOTE 12. LITIGATION**

The Winn Parish Clerk of Court was not involved in any litigation at June 30, 2006.

**NOTE 13. COMMITMENTS**

Leases that do not meet the criteria for capitalization are classified as operating leases with related rentals charged to current operating expenditures. There were no future minimum lease payments under non-cancelable operating leases at June 30, 2006.

**NOTE 14. RISK MANAGEMENT**

The Clerk carries commercial insurance for all major categories of risk including workers' compensation, general liability, and automobile liability. There have been no significant reductions in insurance coverage for the current year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

**WINN PARISH CLERK OF COURT  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS - Continued  
JUNE 30, 2006**

**NOTE 15. OTHER DISCLOSURES**

There were no subsequent events, leases, general long-term obligations, or related party transactions that require disclosure in these notes to the June 30, 2006 basic financial statements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund

**WINN PARISH CLERK OF COURT  
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND  
YEAR ENDED JUNE 30, 2006**

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
Revenues:				
Licenses and Permits – Marriage	\$ 2,000	\$ 2,000	\$ 2,500	\$ 500
Fees, Charges and Commissions for Service:				
Court Costs, Fees and Charges	150,000	150,000	143,776	( 6,224)
Fees for Recording Legal Documents	181,000	181,000	176,194	( 4,806)
Fees for Photocopies of Documents	45,000	45,000	39,606	( 5,394)
Intergovernmental Revenue - Grant	-	-	10,034	10,034
Supplemental Compensation Fund Receipts	16,000	16,000	16,450	450
Interest Earned	7,500	7,500	9,138	1,638
Other	30,000	30,000	17,322	( 12,678)
Total Revenues	<u>431,500</u>	<u>431,500</u>	<u>415,020</u>	<u>( 16,480)</u>
Expenditures:				
Current – Judiciary				
Personal Services and Related Benefits	370,000	370,000	361,802	8,198
Operating Services	56,000	56,000	54,694	1,306
Materials and Supplies	4,000	4,000	2,488	1,512
Travel and Other Charges	15,000	15,000	11,831	3,169
Capital Outlay	-	-	12,604	( 12,604)
Total Expenditures	<u>445,000</u>	<u>445,000</u>	<u>443,419</u>	<u>1,581</u>
Excess/(Deficit) of Revenues Over Expenditures	(13,500)	(13,500)	(28,399)	(14,899)
Fund Balance at July 1, 2005	<u>120,985</u>	<u>120,985</u>	<u>120,985</u>	<u>-</u>
Fund Balance at June 30, 2006	<u>\$ 107,485</u>	<u>\$ 107,485</u>	<u>\$ 92,586</u>	<u>\$ (14,899)</u>

Required Supplementary Information.

## **OTHER SUPPLEMENTARY INFORMATION**

### **FIDUCIARY FUND TYPE – AGENCY FUNDS**

**Advance Deposit Fund** - The Advance Deposit Fund is used to account for advance deposits on suits filed by litigants. The advances are refundable to the litigants after all costs have been paid. In addition, the Advance Deposit Fund also collects child support payments for distribution to various local and state bodies and non-support litigation costs for ultimate disposition.

**Registry of Court Fund** - The Registry of Court Fund is used to account for funds which have been ordered by the court to be held until judgment has been rendered in court litigation. Withdrawals of the funds can be made only upon order of the court.

**WINN PARISH CLERK OF COURT  
STATEMENT OF COLLECTIONS, DISTRIBUTIONS, AND UNSETTLED DEPOSITS  
FIDUCIARY FUND TYPE - AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Advanced Deposit</u>	<u>Registry of Court</u>
Unsettled Deposits at July 1, 2005	\$ 435,685	\$ 583,400
Additions (Deposits):		
Suits & Successions	256,286	288,124
Interest Earned	<u>5,221</u>	<u>11,886</u>
Total Additions	<u>261,507</u>	<u>300,010</u>
Total	<u>697,192</u>	<u>883,410</u>
Reductions:		
Clerk's Costs (Paid to General Fund)	143,009	
Litigant Settlements, Refunds, Witness & Suit Costs, etc.	98,083	175,065
Sheriffs' Fees	27,970	
Interest - (Paid to General Fund)	<u>5,040</u>	
Total Reductions	<u>274,102</u>	<u>175,065</u>
Unsettled Deposits at June 30, 2006	<u>\$ 423,090</u>	<u>\$ 708,345</u>

Supplementary Schedule – Presented as additional analytical data.



## **OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the basic financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

# WHITE & BATES

CERTIFIED PUBLIC ACCOUNTANTS  
203 NORTH ABEL STREET  
P. O. BOX 1397  
WINNFIELD, LA 71483

(318) 628-3985  
FAX (318) 628-3988

LAWRENCE I. WHITE, C.P.A.

STEVEN F. BATES, C.P.A.

## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Donald E. Kelley,  
Winn Parish Clerk of Court, Winnfield, Louisiana

December 7, 2006

We have audited the accompanying basic financial statements of the **Winn Parish Clerk of Court**, a component unit of the Winn Parish Police Jury, as of and for the year ended June 30, 2006, and have issued our report thereon dated December 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

### *Compliance*

As part of obtaining reasonable assurance about whether the **Winn Parish Clerk of Court's** basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that is required to be reported under *Government Auditing Standards* and the *Louisiana Governmental Audit Guide*.

### *Internal Control Over Financial Reporting*

In planning and performing our audit, we considered the **Winn Parish Clerk of Court's** internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period

by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the **Winn Parish Clerk of Court**, its management, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

*White & Bates*

**White & Bates**  
**Winnfield, Louisiana**  
**December 7, 2006**

**WINN PARISH CLERK OF COURT  
SCHEDULE OF FINDINGS  
YEAR ENDED JUNE 30, 2006**

**A. SUMMARY OF AUDIT RESULTS**

**BASIC FINANCIAL STATEMENTS:**

1. An unqualified opinion was issued on the basic financial statements of the Winn Parish Clerk of Court as of and for the year ended June 30, 2006.
2. The audit of the basic financial statements disclosed no material weaknesses and no reportable conditions were identified in internal control over financial reporting.
3. The audit of the basic financial statements disclosed no instances of noncompliance required to be reported under Government Auditing Standards.

**B. FINDINGS - FINANCIAL STATEMENT AUDIT**

NONE

**WINN PARISH CLERK OF COURT**

**SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**Year Ended June 30, 2006**

June 30, 2005 Financial Statement Audit Instances of Noncompliance and Reportable Conditions

**SECTION I - Internal Control and Compliance Material to the Financial Statements**

None reported in prior year.

**SECTION II - Management Letter**

No management letter issued in prior year.